

July 26, 2013

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Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Rates for Interstate Inmate Calling Services*
WC Docket No. 12-375

Dear Ms. Dortch:

On July 22, 2013, Richard Torgersrud, founder and CEO, and Kevin O'Neil, President and co-founder, of Telmate, LLC, along with undersigned counsel, met separately with Nicholas Degani, Legal Advisor to Commission Pai, and Valery Galasso, Special Advisor to Commissioner Rosenworcel, to discuss the captioned rulemaking proceeding.

The issues addressed included Telmate's view that the market for inmate communications services is highly competitive, and far more consistent with price competition and technological innovation, than proponents of rate regulation often contend. Specifically, the ICS industry exhibits low barriers to entry and has been characterized by substantial R&D investments resulting in a number of new services benefitting inmates, such as secure social media messaging, voicemail and video visitation, among others. Mr. Torgersrud emphasized that ICS providers do not "set" prices, which are either regulated by state PUCs or determined by correctional officials in the RFP process for selection of a provider, and that there are substantial differences in terms of scale, capacity, broadband costs and inmate "churn" between larger state department of corrections ("DOC") systems and the thousands of smaller county and municipal jails served by ICS providers like Telmate.

Telmate suggested that any FCC action respecting interstate ICS rates, as a result, should segment correctional facilities by size, because the security features associated with serving smaller jails are the same as DOC institutions with tens of thousands of inmates. The company expressed the view that a "safe harbor" rate, which if not exceeded would be considered presumptively just and reasonable for purposes of the Communications Act, is preferable to a mandated "rate cap" because the wide variety in size and costs renders a one-size-fits-all regulatory response ineffective and unresponsive to ICS market conditions. Telmate in addition explained that the market for ICS services has evolved considerably in the period since initial

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filing of the *Wright Petition*, in particular with regard to carriers' incentives to offer lower ICS rates in order to stimulate additional calling — meeting both rehabilitative and revenue objectives — and to avoid the jurisdictional arbitrage through non-geographic numbers addressed in Telmate's comments and reply comments in this docket.

No documents or written communications were distributed at these meetings.

This notice of *ex parte* contact is filed in compliance with section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206. Should you have any questions regarding the foregoing, please do not hesitate to contact me.

Sincerely,

/s/Glenn Manishin

Glenn B. Manishin

cc: Nick Degani (via email)
Valery Galasso (via email)
Richard Torgersrud, Telmate